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Cohen, Julius Henry

Developing the
Port of New York

[S.l.]

[1923?]

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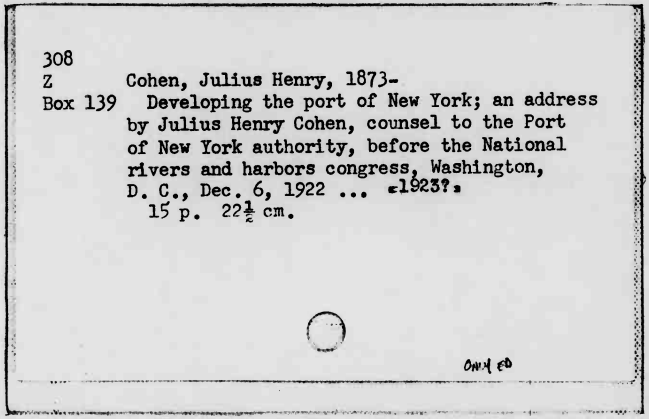
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DEVELOPING *the* PORT *of* NEW YORK

AN ADDRESS

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Box 139

— BY —

Julius Henry Cohen

Counsel to the PORT OF NEW YORK AUTHORITY

Before the

National Rivers and Harbors Congress

Washington, D. C., Dec. 6, 1922

LEGAL, ENGINEERING AND FINANCIAL PROBLEMS INVOLVED IN ESTABLISHING A PORT AUTHORITY AT

"The Gateway of the Nation"

WITH A STATEMENT RELATIVE TO THE INCREASING SERVICE OF THE STATE BARGE CANAL

"Modernizing the Organization of the Physical Facilities of the Port is for the Benefit of the Entire Country"

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Entire Country"

Oct 29, 1923 Re.

ADDRESS OF JULIUS HENRY COHEN BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. President, ladies and gentlemen: At the last meeting of the conference held in this room before the fire brightened it, you gave to the Port of New York Authority something like two hours, in which time Major Church outlined the physical program and I presented to you some of the social and transportation phases of the problem that beset us in New York. With a sense of equity characteristic of the management of this organization, they have this time decided that in view of the fact we had two hours last time, twenty minutes would be enough this time. We don't attribute that to any feeling of prejudice against New York. However, within that limited time I must do what the lawyer always does when he has to make an hour and a half argument in fifteen minutes, that is, touch the high points and leave the judges to read his briefs. The volume published last year of the proceedings of this Congress is probably one of the most informative documents of its kind that has ever been produced and it will be referred to many times. I purpose in this brief address to supplement, not repeat, what I said last time. I assume that everybody in this audience heard me last year, and I assume that everybody in the congress has read the proceedings of last year, and if I do not say some things today it will be because of that assumption.

Phases of the Port of New York Problem

Now, there are many facets to the port problem of New York which are interesting to you, because of the light which they throw upon your problems, but there are also phases of the problem that are unique and have no counterpart. There are three phases—the **engineering** phase, the **legal** phase and the **financial** phase. I shall in the few moments allotted to me discuss the legal phase, because you business men know that until you have jumped the legal hurdles of organization, whether it be a corporation or a partnership, you cannot build or run a plant. You want to know what your charter is and what you can do, what your powers are.

Fundamentally, the first step in the solution of the Port of New York problem was the solution of the legal problem. I want to make that very clear, because those who have criticised the Port of New York for being backward in the solution of some of its problems have failed to take account of the difficulties that were inherent in that situation. Now, in the first place, if San Francisco wants to run

her port and get power all she has to do is to get a charter from the legislature of California for a Harbor Commission or a like body. If New Orleans wants to develop her port all she has to do is to get a charter from the State of Louisiana creating Harbor Commissioners of New Orleans. But the Port of New York is unlike either San Francisco or New Orleans. The Port of New York, as laid down on the map, embraces territory that lies within two states. A very substantial part of the port district is in New Jersey and a very substantial part is in the State of New York. Now, when they want to build a waterworks system in Kansas City, Missouri, and Kansas City, Kansas, which crosses the boundary line and supplies the two cities with water, they have recently discovered that the only way they can do it is to come to some understanding between the two states, secure the approval of Congress and proceed upon a legal basis. So, too, when the states bordering on the Colorado River are concerned with their problems of irrigation and water control, they find that in order to solve their problem they must work out a compact between those states which will provide for the methods of dealing with it. Precisely the same kind of situation as we lawyers have to deal with when six or seven people undertake to join in a business enterprise! Easy enough when it is your own individual enterprise, to go forward, but the moment you tie up with somebody else you have got to have an understanding. That is true even in marriage. You have got to have an understanding before you can properly tie up—if you want it to be a success. Now, the marriage of the State of New York and New Jersey by the treaty to which the Chairman referred was the result of a long engagement and some jealousies and a little running after other fellows and other girls. In other words, if any of you know anything about the feelings of St. Paul toward Minneapolis and the feelings of Minneapolis toward St. Paul, you may appreciate what has happened about the Port of New York. I see General Black in the audience. He could tell you a good many stories about that. But the result of pulling apart, of course, was to hold back the development of the port. The Army engineers could not appropriately recommend a broad policy of developing the waterways around the Port of New York unless there was some plan and unless they knew that the two states were going forward in hearty cooperation.

105 Municipalities Affected

Now, that is the background of the situation. But the difficulty is still worse from a lawyer's standpoint. Not

only is the port within two states, each of which is sovereign within its own territorial limits, but as you know, commerce between two states is interstate commerce and the paramount control of interstate commerce is with the Congress of the United States. So that there could be no legal solution of the problem of the Port of New York that did not take into account those three sovereignties, the State of New York, the State of New Jersey and the Federal Government; and until those powers were brought together and concentrated in a single agency, you could have nothing legally constituted like the Harbor Commissioners of New Orleans or the Harbor Commissioners of San Francisco. Do I make that point clear?

The first thing that had to be done was to bring these states together on some kind of an agreement. One hundred and five municipalities were in that port district. Rivalries the like of which are found nowhere else in the country existed there. In addition to that, there are large cities like Newark.—Newark is bigger than New Orleans or Rochester. People forget that.—Jersey City is bigger than Harrisburg, Pennsylvania. Cities as big as Syracuse are right in that section there, as well as Greater New York. Eight million people live within the port district. Those of you who remember the population of some of the states and some of the European countries can figure out how their problems compare in intensity of difficulties with the problems of government in this district. Well, by 1919 we had secured the treaty in shape satisfactory to both political parties in both states so that the leaders of both political parties in the leglislature of both states were ready to approve it. It was not finally passed by the two states, however, until 1921. The treaty was signed on the 30th of April, 1921. It was approved by the President signing the Congressional resolution on the 23rd of August.

Now, what did that treaty do? In the first place, it starts off with a recital that large sums of money and the hearty cooperation of the two states are essential to the effectuation of any port development scheme. And after those recitals the first article of the treaty reads simply "They"—meaning the states of New York and New Jersey—"agree to and pledge, each to the other, faithful cooperation in the future planning and development of the Port of New York, holding in high trust for the benefit of the Nation the special blessings and natural advantages thereof." In other words, the two states treat the Port of New York not as something of local concern to them alone, but as something held in high trust for the Nation.

Establishing a Port Authority

Now, then, you had to have some kind of an agency that would function. Well, we borrowed from the experience of other ports throughout the world. We created the Port of New York Authority. Let. me pause long enough to make clear that that is a corporation, not a private corporation with stock, with profits, but what we lawyers call a Public Corporation. Now, public corporations are like cities, school boards, villages, towns, irrigation commissions. You know what they are. You create them all the time. They are what we call in the law **quasi municipal bodies.** They are instrumentalities of the state for the purpose of performing public functions. They are more than commissions because a public corporation can own property, can issue bonds and other securities that are not part of the debt of the state, can make all kinds of developments consistent with the purposes for which it is created, and can do many things that commissions cannot do. So there was created this public body, with the broadest conceivable legal powers that could be granted, yet preserving in the fullest and broadest sense the local autonomy of the cities within that district.* For example, the docks and piers and other wharf properties of the City of New York remain where they were —the control of them just as free as before, with the City of New York, and each community is free to plan its own developments. Now, some of you port engineers will say, "That would not be a good scheme. You ought to have a supervening authority which would put a veto on their

ART. VI. OF THE TREATY READS:

*The port authority shall constitute a body, both corporate and politic, with full power and authority to purchase, construct, lease and/or operate any terminal or transportation facility within said district; and to make charges for the use thereof; and for any of such purposes to own, hold, lease and/or operate real or personal property, to borrow money and secure the same by bonds or by mortgages upon any property held or to be held by it. No property now or hereafter vested in or held by either state, or by any county, city, borough, village, township or other municipality, shall be taken by the port authority, without the authority or consent of such state, county, city, borough, village, township or other municipality, nor shall anything herein impair or invalidate in any way any bonded indebtedness of such state, county, city, borough, village, township or other municipality, nor impair the provisions of law regulating the payment into sinking funds or revenues derived from municipal property, or dedicating the revenues derived from any municipal property to a specific purpose. * * *

developments or put a veto on the rates that may be charged by this city or that." Well, you may be right. Our judgment is that in the Port of New York district that is not practicable and that something more immediate is necessary. That I shall come to in a moment. Suspend your judgment, therefore, on that subject until you hear more about the transportation problem itself. Now, then, the Port Authority consists of six men, three from New York, three from New Jersey, each state being left free to determine for itself, through its own legislature, how the three men are to be selected. Two votes from each state are necessary for an agreement upon any resolution. By June of 1921, the Port Authority had been created, its personnel had been named by the respective Governors, and by August the treaty had been ratified by the Congress of the United States, signed by the President on the 23rd of August. Of course, merely filing your certificate of incorporation at the state capitol does not manufacture goods. There had to be an engineering plan. There had to be a definite policy. There had to be an understanding as to how the thing was to be built up physically. That brings us to the other two phases of the problem, the engineering or transportation phase, and the financial phase.

Preparing the Comprehensive Plan

The states of New York and New Jersey since 1917 in equal parts had appropriated some five or six hundred thousand dollars for the study of this problem. By 1921, they had a plan, a physical plan, the legal nomenclature of which is "a Comprehensive Plan for the Development of the Port of New York." That plan represented the study of the engineers who had been engaged because of their skill for this work. It was presented to the two legislatures at the same time that the treaty was presented for their approval, and the legislatures said, "No, we will not adopt that plan just yet. We will direct this Port Authority to take this plan, submit it to all of the municipalities concerned, submit it to the railroads and their engineers, submit it to the Chambers of Commerce and trade bodies, to the United States Shipping Board, the War Department, the Interstate Commerce Commission, and come back a year from now with a comprehensive plan that they can recommend." So during 1921 that plan was presented to all of these agencies. The statistics of the cost of operation that had been gathered out of the railroad companies' own books, upon which the plans for economy were devised, were admitted by the railroads to be correct, and thus we had the basic yard-stick by which to test what we were doing. There were changes in this

physical plan suggested by this community and that, but finally by 1922, when the legislatures met in the two states, the Port Authority was ready to present its recommendations upon a comprehensive plan. Now that plan is not just a picture of docks and piers and railroads. It involves certain fundamental principles. Those principles were stated in the report of the Port Authority and they form part of the plan. They were approved by the legislatures of the two states. On the first of July last, the President of the United States signed the resolution of Congress, which approved of that plan; so that that plan is now the law of the State of New York, of the State of New Jersey and of the Congress of the United States, and the instrumentality of those sovereignties for the purpose of effectuating that plan is the Port Authority.

Now, what is the law? What does the law say? First of all, it determines the principles to govern the development of the Port of New York. The first principle is that "terminal operations within the port district, so far as economically practicable, should be unified." That is a revolutionary principle in the organization of terminal facilities. You know what it means. You know how the competitive system of building terminals has added to the cost of the consumer. You know that the duplication of terminals has added to the cost of doing business in this country, not only to the producer but to the jobber, to the retailer, so that the adoption of that principle as the law for the development of the Port of New York is vital and fundamental. The principles laid down are the following:

First. That terminal operations within the port district, so far as economically practicable, shauld be unified;

Second. That there should be consolidation of shipments at proper classification points so as to eliminate duplication of effort, inefficient loading of equipment and realize reduction in expenses;

Third. That there should be the most direct routing of all commodities so as to avoid centers of congestion, conflicting currents and long truck-hauls;

Fourth. That terminal stations established under the comprehensive plan should be union stations, so far as practicable;

Fifth. That the process of coordinating facilities should so far as practicable adapt existing facilities as integral parts of the new system, so as to avoid needless destruction of existing capital investment and reduce so far as may be possible the requirements for new capital; and endeavor should be made to obtain the consent of local municipalities within the port district for the coordination of

their present and contemplated port and terminal facilities with the whole plan.

Sixth. That freight from all railroads must be brought to all parts of the port wherever practicable without cars breaking bulk, and this necessitates tunnel connection between New Jersey and Long Island, and tunnel or bridge connections between other parts of the port;

Seventh. That there should be urged upon the federal authorities improvement of channels so as to give access for that type of waterborne commerce adapted to the various forms of development which the respective shorefronts and adjacent lands of the port would best lend themselves to;

Eighth. That highways for motor truck traffic should be laid out so as to permit the most efficient inter-relation between terminals, piers and industrial establishments not equipped with railroad sidings and for the distribution of building materials and many other commodities which must be handled by trucks; these highways to connect with existing or projected bridges, tunnels and ferries.

Ninth. That definite methods for prompt relief should be devised which can be applied for the better coordination and operation of existing facilities while larger and more comprehensive plans for future development are being carried out.

Then after these nine principles come the belt lines and the tunnels and the bridges which are outlined in the physical plan.

The powers of the Port Authority are not alone those contained in the treaty which itself authorizes the acquisition of title to property, the construction of all kinds of terminal facilities, and the borrowing of money, but are to be found also in the express grants of power in the legislation passed last year. The Port of New York Authority is authorized and directed to proceed with the development of the Port of New York in accordance with the comprehensive plan as rapidly as may be economically practicable, and is vested with all necessary and appropriate powers not inconsistent with the Constitution of the United States or either state to effectuate the same, except the power to levy taxes or assessments.*

Cooperation with Federal Agencies

Let me pause here to discuss for a moment the financial phase of this problem. It is contemplated that the new cap-

*Sec. 8—N. Y. and N. J. Statutes.—Laws of New York, 1922, Chap. 43.—Laws of New Jersey, 1922, Chap. 9.

ital investments that are to be made shall be self-sustaining; that is to say, the money shall not be raised by taxes for the purpose of creating those facilities. The Port of New York Authority is required to request the Congress of the United States to make such appropriations for deepening and widening channels and to make such grants of power as will enable the said plan to be effectuated. It has power to apply to all federal agencies, including the Interstate Commerce Commission, War Department, and the United States Shipping Board, for suitable assistance in carrying out said plans. It is required to cooperate with the State Highway Commissioners of each state so that trunk-line highways as and when laid out by each state shall fit in with such comprehensive plan. It is required to render such advice, suggestions and assistance to all municipal officials as will permit all local and municipal port and harbor governments to fit in with such plans. All municipalities within the district are authorized to cooperate in the effectuation of the plan and are vested with such powers as may be necessary so to cooperate. The bonds or other securities issued by the Port Authority are to be at all times free from taxation by either state. The Port Authority is to "be regarded as the municipal corporate instrumentality of the two states for the purpose of developing the port and effectuating the pledge of the states in the said compact, but it shall have no power to pledge the credit of either state or to impose any obligation upon either state, or upon any municipality, except as and when such power is expressly granted by statute, or the consent by any such municipality is given."

Now, pursuant to that, the Port Authority went to Congress and submitted the plan to Congress. Congress accepted the plan, including these principles, and authorized and empowered the Port Authority to carry it into effect, subject to such powers as have been generally vested in other federal agencies, like the Interstate Commerce Commission, subject to the approval of the Chief of Engineers and the War Department as to all matters within their jurisdiction

and control, like bridges and tunnels and other matters that might affect navigation of the rivers.*

Now then, the situation was this: The difficult legal problem was solved when? The first of July last. I was talking to a federal official on the train coming down here and he said: "When did you start this thing?" "Well," I said, "we began to discuss it in 1917." "Well," he said, "you have made tremendous progress in five years to have gotten so far." Well, frankly, we think we have. We think to have overcome these legal difficulties has been great progress, not for us alone but for you, for the whole country, because, until those legal problems were solved, there was no hope of solving the physical phases of the problem.

Negotiations with the Railroads

You observe that the terminal facilities of the Port of New York are to be coordinated and made into one system. That means the use of every existing railroad facility, so far as they fit in with the plan. Now, obviously, there are only three ways by which that can be done. One is by the exercise of the power of appropriation, taking the railroad facilities by paying for them. The other is by arranging with the railroads for their use by compensating them for it. And the other is by the exercise of the federal power to compel the use upon proper compensation for its use. No sensible public body would adopt either one of the two methods of expropriation and compulsion until the process of negotiation with the railroads had been gone through,

*"And the consent of Congress is hereby given to the carrying out and effectuation of said comprehensive plan, and the said Port of New York Authority is authorized and empowered to carry out and effectuate the same; **Provided,** That nothing herein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of said agreement; **Provided further,** That no bridges, tunnels, or other structures shall be built across, under, or in any of the waters of the United States, and no change shall be made in the navigable capacity or condition of any such waters, until the plans therefor have been approved by the Chief of Engineers and the Secretary of War."
Public Resolution No. 66, 67th Congress.

and we are still in the process of negotiation with the railroads.* Those of you who know something about the present policies of the railroad companies of the country will appreciate the difficulties of getting twelve executives around a table to come to a common understanding about the use of facilities each of which they control through their companies. But we are on the way and that means that hereafter the planning of the Port of New York has got to be along these principles because the law says so. It does not make any difference who the individuals are who hereafter constitute the Port Authority; the law is there and the law is that those facilities must be coordinated so that the railroads dovetail and fit in with each other and so that water transportation is made the most of, whether the railroads like it or not, and it means that all of those communities within that district have got to cooperate in the planning of their facilities or else suffer the consequences. Now a word as to the financial end.

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*Since the delivery of this address, the Interstate Commerce Commission has entered the following order:

At a General Session of the INTERSTATE COMMERCE COMMISSION, held at its office in Washington, D. C., on the 11th day of December, 1922.

Docket No. 14490

In the Matter of Efficient, Economical and Joint Use of Terminals of Common Carriers in the Port of New York District and the Cost to Carriers of Operating Terminals in Performing Common-carrier Services.

It appearing, That on the thirtieth day of April, 1921, pursuant to legislative authority theretofore granted by the legislatures of the two states, the states of New York and New Jersey entered into a compact creating a "Port of New York District" and creating "The Port of New York Authority" with power and authority to purchase, construct, lease, and operate any terminal or transportation facility within said district, and to make plans for the comprehensive development of the Port of New York.

It further appearing, That by Joint Resolution of the Congress of the United States approved August 23, 1921, the said compact was ratified (Public Resolution No. 17, 67th Congress, S. J. Res. 88);

It further appearing, That on February 23 and 24, 1922, statutes were enacted by the legislatures of the states of New York and New Jersey approving a comprehensive plan for the development of the Port of New York and granting power to the Port of New York Authority to effectuate a comprehensive plan, recited therein; (Laws of New York, 1922, Chapter 43; Laws of New Jersey, 1922, Chapter 9);

It further appearing, That by Joint Resolution of the Congress of the United States approved July 1, 1922, reciting the said comprehensive plan, the consent of Congress was given to the carrying out and effectuation of said plan and the said Port of New York Authority was authorized and empowered to carry out and effectuate the same (Public Resolution No. 66, 67th Congress, H. J. Res. 337);

And it further appearing, That the carrying out and effectuation of the said plan in accordance with the aforesaid laws will affect terminals used, and common carriers engaged, in interstate and foreign commerce;

It is ordered, That, on the Commission's own motion, an investigation be, and it is hereby, instituted for the purpose of determining what if any order in the premises may or should be entered by the Commission;

It is further ordered, That the following named carriers subject to the provisions of the Interstate Commerce Act be made parties respondent, namely;

The Pennsylvania Railroad Company
The Central Railroad Company of New Jersey
Lehigh Valley Railroad Company
The Baltimore & Ohio Railroad Company
Erie Railroad Company
The Delaware, Lackawanna & Western Railroad Company
West Shore Railroad Company (The New York Central Railroad Company, (Lessee)
New York, Ontario & Western Railroad Company
New York, Susquehanna & Western Railroad Company
Erie Terminal Railroad Company
Hoboken Shore Railroad Company
New Jersey Junction Railroad Company
National Docks Railroad Company
The New York Central Railroad Company
The New York, New Haven & Hartford Railroad Company
The Long Island Railroad Company
New York Connecting Railroad Company
The Staten Island Rapid Transit Railroad Company
Erie & Fort Lee Railroad Company
Philadelphia & Reading Railroad Company

It is further ordered, That this investigation be assigned for hearing at such times and places as may be later determined;

And it is further ordered, That copies of this order be served on the aforesaid respondents, on the governors of the States of New York and New Jersey and on the secretary of the Port of New York Authority.

By the Commission:

(Seal) GEORGE B. McGINTY,
Secretary.

How the Projects are to be Financed

The Port Authority is authorized to borrow money and it can borrow money upon its own credit as a public body, as a corporate municipal instrumentality of the two states; it can borrow money at tax exempt interest rates. It believes,

it is satisfied, that it can raise all the money necessary for the acquisition of such new facilities as may be necessary so soon as arrangements have been made for the use of existing facilities to dovetail and fit in with the general plan. The whole thing is like a picture puzzle in this, that each part has to be fitted into its place and when it is fitted into its place it makes something worth while looking at and living with. Now, I have taken pretty nearly my full time to bring you up to date. I am not making any argument; I am not trying this time to dissipate any sectional feeling against New York because I think that it is disappearing if it has not already disappeared. I think what the Chairman has said is gradually sinking into the minds of the American people, that you cannot cut off your right hand without having some pain in the rest of your body, and we in New York have learned to understand that cooperating with New Orleans and San Francisco and the other ports of the country and the other sections of the country does not hurt us, but it benefits us, and we think the rest of the people are beginning to learn that the efforts of New York in the direction of modernizing the organization of the physical facilities of the port are for the benefit of the entire country. This legislation passed Congress unanimously. That is a fair indication of how the people in Congress regarded this enterprise.

The New York State Barge Canal

Now, there has been assigned to me on this program one other phase of New York development and that is the barge canal, and in order not to take too much time upon that I asked the State Superintendent of Public Works to prepare a very brief statement for me to read here which would bring us up to date in that matter, and with your permission, Mr. President, I will read portions of it.

State of New York
SUPERINTENDENT OF PUBLIC WORKS
ALBANY

November 22, 1922.

E. D.
Mr. Julius Henry Cohen, Counsel,
Port of New York Authority,
11 Broadway,
New York City.
Dear Sir:—

I beg to acknowledge receipt of your letter of the 21st instant, addressed to Superintendent of Public Works Cadle, asking information as to the canal tonnage in comparison with recent years.

I enclose copy of sheet made up weekly by the department, setting forth a comparative statement of the tonnage, which shows the business done during the present season up to and including November

18, 1922. You will note that the grand total for the entire canal system is 2,079,673 tons as compared with the total for the corresponding period of 1921 of 1,325,005, an increase of 754,668 tons, or nearly 57 percent.

This total is made up of tons of freight actually passing through the canal channel, which amounts to 1,725,836 tons, and what is known as supplemental tonnage covering the freight handled at terminals on the Hudson River and in the cities of New York and Buffalo and which did not actually enter the canal, amounting to 553,132 tons. The terminals are of course a part of the canal system.

Taking the strictly canal tonnage, that is, the freight which moved between Lake Erie and the Hudson River, the total of 1,725,836 tons exceeds the same tonnage for the corresponding period of 1921 which is given as 1,172,704 tons, by 553,132 tons, or more than 47 percent.

The Erie Canal, connecting the Great Lakes with the east is, of course, the main channel and it is to that route we must look for the actual benefits of the canal system. The tonnage on the Erie Canal alone has steadily increased since 1918 when the through route of the Barge canal was first declared completed. In that year (1918) when traffic was largely under Federal influence, the lowest stage in canal affairs was marked. In 1919, the decline was checked and an increase of something like 25 percent attained; in 1920, there was a further increase of almost six percent; and in 1921, in spite of the industrial depression which then existed, the freight transported through the Erie Canal alone advanced more than 11 percent. The tonnage on the Erie Canal the present season up to November 18th is 1,363,731 tons, as compared with 910,198 tons for the corresponding period of 1921. This is a percentage gain of nearly 50 percent and constitutes a forward movement in canal development of the greatest importance.

Although the season of 1922 has not yet been closed, the total tonnage, in amount 1,725,836, actually moved through the canals, exceeds the total for any preceding season since 1915; and since it is fair to assume that the canal will remain in operation at least four weeks longer and with the known shipments of freight still to come, the total for the season of 1922 when the canal is actually closed by ice will, it is estimated, be something like 2,300,000 tons which will be the highest record since 1913.

You will note from the enclosed sheet, the principal items of the present year's business. There is grain, the different classes of which aggregate a total far in excess of the record of any year during the past decade. Iron and steel articles, including manufactured products, and scrap iron, have been shipped in large amounts as compared with previous years. The same applies to brick which is making its appearance in large quantities. Sugar also is com-

ing in good volume, as well as the movement of paper in large rolls.

Transportation of petroleum and oils is steadily increasing. This commodity made its first appearance in 1918 when 14,000 tons were carried. Up to November 18th, it had reached a total of 194,849 tons.

Decreases in several items which previously moved through the canal in large totals are shown and among these may be mentioned coal, both anthracite and bituminous, and also iron ore, but indications are that this business will sooner or later come back to the canals. A general survey of the situation and a study of the increases and decreases would seem to indicate that the canal is fast coming into use as a carrier of higher classes of commodities than was formerly the case.

The number of transportation agencies has increased from a very few two or three years ago to some 30 agencies rendering both a general and special service.

The usable depth of the canal has been increased, it having been possible for boats loaded to ten feet to navigate this year.

The investment of private capital in boating equipment is increasing and new boats are making their appearance on the canal. While all the craft needed are not yet available, the growth has been steady even if somewhat slow.

Under separate cover, I am enclosing report of the department for the year 1921 in which on pages 176 and 177 will be found the totals of canal tonnage for previous years. I am also forwarding illustrated pamphlet describing the canal and its structures and also booklet descriptive of the new State grain elevator at Brooklyn. This has proven a great boom to canal commerce and already is doing an immense business.

I trust that the above will be of some assistance to you in the preparation of your address.

Yours very truly,
ALFRED M. O'NEILL,
Assistant Deputy.

The message which both of these statements are intended to convey to you is that New York is "on the job," utilizing the facilities which are there, for the purpose of serving the entire nation, and—may we say with just a little pride—without asking any other part of the nation to contribute one penny in the way of tax burden.

22797

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